



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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August 19, 1993

CERTIFIED RETURN RECEIPT
P 074 978 612

Mr. R. Jay Marshall, Chief Engineer
Genwal Coal Company
P. O. Box 1201
Huntington, Utah 84528

Dear Mr. Marshall:

Re: Finding of Inadequate Bond, Genwal Coal Company, Crandall Canyon Mine,
ACT/015/032, Folder #3, Carbon County, Utah

The Division's technical staff has completed a review of the Bond estimate information submitted during the recent permit renewal for the Crandall Canyon Mine. It has been determined that the current reclamation bond is inadequate. Enclosed you will find the Division's Findings of Fact/Conclusions of Law which details the requirements Genwal must meet to ensure an adequate bond. Also enclosed is the Division's detailed cost estimate upon which the reclamation bond amount has been based.

Please read the Findings and Conclusions to be sure you understand the requirements and submit a timely response as appropriate. If you have any questions, don't hesitate to call.

Sincerely,

A handwritten signature in cursive script that reads "Daron R. Haddock".

Daron R. Haddock
Permit Supervisor

Enclosure

cc: W. Western
J. Smith
BONDADJU.CRA

SENDERS: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:
R JAY MARSHALL CHIEF ENGINEER
GENVAL COAL COMPANY
P O BOX 1201
HUNTINGTON UT 84528

4. Article Number
P 074 978 612

Type of Service:
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature -- Addressee
X

6. Signature -- Agent
[Signature]

7. Date of Delivery
AUG 25 1993

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 • U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT
 DOGM MBM ACT/015/032 FLDR #43

P 074 978 612

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

Sent to
R JAY MARSHALL
GENVAL COAL COMPANY
 Street and No.
P O BOX 1201
 P.O., State and ZIP Code
HUNTINGTON UT 84528

Postage	\$.29
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	1.00
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom Date, and Address of Delivery	
TOTAL Postage and Fees	
Postmark or Date	AUG 25 1993

PS Form 3800, June 1985

MBM DOGM ACT/015/032 FLDR #3

UNITED STATES POSTAL SERVICE

OFFICIAL BUSINESS

SENDER INSTRUCTIONS

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- Complete items 1, 2, 3, and 4 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.



PENALTY FOR PRIVATE USE, \$300

RETURN TO



Print Sender's name, address, and ZIP Code in the space below.

STATE OF UTAH
NATURAL RESOURCES
OIL, GAS, & MINING
3 TRIAD CENTER, SUITE 550
SALT LAKE CITY, UTAH 84180-1203

STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE,
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)

1. If you want this receipt postmarked, stick the gummed stub to the right of the return address leaving the receipt attached and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub to the right of the return address of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

* U.S.G.P.O. 1988-217-132

BEFORE THE DIVISION OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

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IN THE MATTER OF BOND REVIEW	:	FINDING OF INADEQUATE BOND
IN AND BOND ADJUSTMENT,	:	RE: GENWAL COAL COMPANY,
GENWAL COAL COMPANY	:	CRANDALL CANYON MINE,
CRANDALL CANYON MINE PERMIT	:	ACT/015/032

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In the above entitled matter, the Division makes the following Written Findings and Conclusions of Law concerning the adequacy of the reclamation bond posted by Genwal Coal Company, (the "Permittee").

FINDINGS OF FACT

1. The Division received Genwal Coal Company's application for permit renewal on January 12, 1993. This application included a reformatted and updated Mining and Reclamation Plan. Included in the MRP as appendix 5-20 was a revised reclamation bond estimate.
2. The new MRP was reviewed by the Division and a technical deficiency document was sent to Genwal on April 5, 1993. Included in the document was a discussion of deficiencies in the applicants cost estimate for reclamation work (appendix 5-20).
3. Genwal submitted a response to the deficiency document on May 13, 1993. This response included a revised Appendix 5-20.
4. The Division issued a renewed permit effective May 14, 1993 with the understanding that the updated maps and design information would be evaluated to determine their effect on the bond amount. If an adjustment to the

bond amount was warranted, procedures provided for in R645-301-830.400 would be followed.

5. The Division has completed a review of the materials submitted by Genwal and has prepared a revised reclamation bond estimate based on the information provided. The amount determined by the Division which must be posted as a reclamation bond is \$703,000.00.

6. Genwal Coal Company's current bond is in the amount of \$268,000.00.

7. Genwal's current bond does not contain language required by the Cooperative Agreement between the State of Utah and the Federal government Office of Surface Mining. The bond must state that:

"In the event the Cooperative Agreement between the Division and OSM is terminated, then the portion of the bond covering the Federal Lands will be payable only to the United States, Department of Interior, Office of Surface Mining."

CONCLUSIONS OF LAW

1. The bond currently in place is in an amount less than that determined by the Division as necessary to ensure completion of the reclamation plan, if the work must be completed by the Division in the event of forfeiture.

2. The permittee is operating a coal mining and reclamation operation pursuant to a permit, a condition of which, requires a bond sufficient to allow the Division to finalize reclamation under the bond in the event of forfeiture. This condition has not been met. The amount necessary to meet the requirement of the law which must be posted as performance bond is determined to be \$703,000.

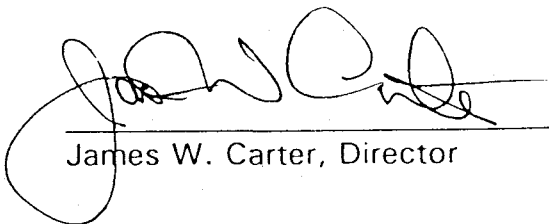
3. A condition of operating a coal mining and reclamation operation on Federal Lands pursuant to a permit, also requires that specific language be included in the bond. The permittee must provide a bond which includes the following language: "In the event the Cooperative Agreement between the Division and OSM is terminated, then the portion of the bond covering the Federal Lands will be payable only to the United States, Department of Interior, Office of Surface Mining."

4. If these Findings and Conclusions constitute an adjustment of the amount of bond pursuant to Utah Admin. R. 645-301-830.400 then the permittee must be granted an opportunity for an informal conference. If a conference is desired, a written request must be received by the Division within 15 days of receipt of this Finding of Inadequate Bond.

5. Genwal Coal Company must provide a reclamation bond in the amount of \$703,000 and which contains the language required by the State/Federal Cooperative Agreement within 30 days of receipt of this Finding of Inadequate Bond.

SIGNED this 23rd day of August 1993.

STATE OF UTAH
DIVISION OF OIL, GAS, AND MINING



James W. Carter, Director